



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-502]

Circular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review and Partial Rescission; Calendar Year 2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that exporters/producers of circular welded carbon steel pipes and tubes from the Republic of Turkey (Turkey) received countervailable subsidies during the period of review (POR), January 1, 2018 through December 31, 2018, that were *de minimis*.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Jolanta Lawska, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-8362.

SUPPLEMENTARY INFORMATION

Background

On March 7, 1986, Commerce published in the *Federal Register* the countervailing duty order on circular welded carbon steel pipes and tubes from Turkey.¹ On May 29, 2019, Commerce published a notice of initiation of an administrative review of the *Order* covering 35 companies.² On August 15, 2019, Commerce selected Borusan Companies for individual examination as the sole mandatory respondent in this administrative review.³ On November 12, 2019, Commerce extended the due date of the preliminary results of this administrative review until March 27, 2020.⁴

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included at the Appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and is available to all parties in the Central Records Unit, Room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

¹ See *Countervailing Duty Order; Certain Welded Carbon Steel Pipe and Tube Products from Turkey*, 51 FR 7984 (March 7, 1986) (*Order*).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 24743, 24748 (May 29, 2019).

³ See Memorandum, "Selection of Respondents for Individual Examination," dated August 15, 2019.

⁴ See Memorandum, "Circular Welded Carbon Steel Pipes and Tubes from Turkey: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated November 12, 2019.

⁵ See Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube Products from Turkey; 2018," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Scope of the Order

The merchandise covered by the *Order* is circular welded carbon steel pipes and tubes from Turkey. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part and Non-Shipment Claims

On June 7, 20, and 25, 2019, Tosçelik Profil ve Sac Endüstrisi A.S., Tosyalı Dis Ticaret A.S., Toscelik Metal Ticaret A.Ş. (collectively, Tosçelik),⁷ HDM Celik Boru Sanayi ve Ticaret A.S. (Celik),⁸ and Çimtaş Boru Imalatları ve Ticaret Ltd. Şirketi (Çimtaş) timely submitted no shipment certifications.⁹ Because no evidence on the record contradicts these certifications, we are rescinding this administrative review with regard to Toscelik, Celik and Cintas in accordance with 19 CFR 351.213(d)(3).¹⁰

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁷ *See* Tosçelik’s Letter, “Circular Pipe from Turkey; Tosçelik No-Shipsments Letter,” dated June 7, 2019.

⁸ *See* Celik’s Letter, “Circular Welded Carbon Steel Pipes and Tubes (C-489-502) Countervailing Duty Administrative Review (1/1/18 - 12/31/18),” dated June 20, 2019.

⁹ *See* Cintas’ Letter, “Circular Welded Carbon Steel Pipes and Tubes (C-489-502) Countervailing Duty Administrative Review (1/1/18 - 12/31/18),” dated June 25, 2019.

¹⁰ *See* Memorandum, “Results of Customs and Border Protection Query Results,” dated June 19, 2019; *see also* Memorandum, “Second Customs and Border Protection (CBP) Query Results,” dated July 26, 2019 (CBP Query

Additionally, on June 28, 2019, the Borusan Companies¹¹ submitted a letter to Commerce timely certifying that affiliates Borusan Istikbal Ticaret T.A.S. (Borusan Istikbal), Borusan Birlesik Boru Fabrikalari San ve Tic. (Borusan Birlesik), Borusan Gemlik Boru Tesisleri A.S. (Borusan Gemlik), Borusan Ihracat Ithalat ve Dagitim A.S. (Borusan Ihracat), Tubeco Pipe and Steel Corporation (Tubeco), and Borusan Lojistik Dagitim Depolama Tasimacilik ve Ticaret A.S. (Borusan Lojistik) had no entries, exports, or sales of subject merchandise into the United States during the POR.¹² Because no evidence on the record contradicts these certifications, we are rescinding the administrative review with regard to Borusan Birlesik, Borusan Gemlik, Borusan Ihracat, Tubeco, and Borusan Lojistik in accordance with 19 CFR 351.213(d)(3).¹³ We are not rescinding the review for Istikbal because we preliminarily determine that it is part of the cross-owned entity referred to as the Borusan Companies, the mandatory respondent in this review.

On June 7 and June 11, 2019, respectively, Cayirova Boru Sanayi ve Ticaret A.S., Yucel Boru ve Profil Endustrisi A.S., and Yucelboru Ihracat Ithalat ve Pazarlama A.S. (collectively, the Yucel Companies) and Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan) timely filed no shipments certifications.¹⁴ However, the results of the queries Commerce performed on the trade database maintained by U.S. Customs and Border Protection (CBP) indicated that shipments produced and/or exported by the Yucel Companies and Erbosan entered the United States during

Memorandum); and Memorandum, “No-shipment inquiry with Respect to Various Companies During the Period 01/01/2018 through 12/31/2018,” dated March 27, 2020 (No Shipment Memorandum for Various Companies).

¹¹ The Borusan Companies consist of Borusan Holding A.S. (also referred to as Borusan Holding), Borusan Mannesmann Yatirim Holding, Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan), and Borusan Istikbal Ticaret T.A.S. (Istikbal) (collectively, the Borusan Companies).

¹² See Borusan’s Letter, “Circular Welded Carbon Steel Pipes and Tubes from Turkey. Case No. C-489-502: No Shipment Letter,” dated June 28, 2019.

¹³ See No Shipment Memorandum for Various Companies.

¹⁴ See Yucel’s Letter, “Circular Welded Carbon Steel Pipe and Tube from Turkey: Yucel No Shipment Letter,” dated June 7, 2019; see also Erbosan’s Letter, “No Shipment Certification of Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan) in the 2018 Administrative Review of the Countervailing Duty Order Involving Certain Welded Carbon Steel Standard Pipe from Turkey,” dated June 11, 2019.

the POR.¹⁵ In comments filed on the record, the Yucel Companies argued that Commerce should not conclude that it had reviewable entries during the POR.¹⁶ In response to the Yucel Companies' comments, we explained that "Commerce's practice in {countervailing duty} proceedings is to conduct reviews based on merchandise that is 'produced and/or exported' to the United States" and Commerce need not consider "whether the Yucel Companies had knowledge of the shipments or whether the merchandise was shipped directly from Turkey."¹⁷ Thus, consistent with the Respondent Selection Memorandum, we preliminarily determine that subject merchandise produced and/or exported by the Yucel Companies entered the United States during the POR and, therefore, we are not rescinding the review with regard to the Yucel Companies. Similarly, because Erbosan did not contest the results of queries we performed on CBP's trade database, we preliminarily determine that subject merchandise produced and/or exported by Erbosan entered the United States during the POR and, therefore, we are not rescinding the review with regard to Erbosan.

Rate for Non-Selected Companies Under Review

The Act and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limited its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. We also note that section 777A(e)(2) of the Act provides that "{t}he individual countervailable subsidy rates determined under subparagraph (A) shall be used

¹⁵ See CBP Query Memorandum.

¹⁶ See Yucel's Letters, "Yücel reply comments re: Independence Tube's comments on CBP data," dated June 30, 2019; and "Yücel comments on second CBP release," dated July 30, 2019.

¹⁷ See Respondent Selection Memorandum, at 4.

to determine the all-others rate under section 705(c)(5) {of the Act}.” Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by using the weighted-average countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available. However, we preliminarily determine that the sole mandatory respondent in this review, the Borusan Companies, received countervailable subsidies that are *de minimis*. Therefore, in these preliminary results, we are applying the net subsidy rate calculated for the Borusan Companies to those firms subject to review that were not selected for individual examination.

Preliminary Results of the Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for the Borusan Companies. For the period January 1, 2018 through December 31, 2018, we preliminarily determine that the following net subsidy rates for the producers/exporters under review to be as follows:

Company	Net Subsidy Rate
Borusan Holding A.S. (also referred to as Borusan Holding), Borusan Mannesmann Yatirim Holding, Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan), and Borusan Istikbal Ticaret T.A.S. (Istikbal) (collectively, the Borusan Companies)	0.37 % <i>de minimis</i>
Borusan Ithicat ve Dagitim A.S	0.37 % <i>de minimis</i>
Borusan Mannesmann	0.37 % <i>de minimis</i>
Borusan Mannesmann Pipe US, Inc	0.37 % <i>de minimis</i>
Cagil Makina Sanayi ve Ticaret A.S	0.37 % <i>de minimis</i>
Eksen Makina	0.37 % <i>de minimis</i>
Erbosan Erciyas Boru Sanayi ve Ticaret A.S.	0.37 % <i>de minimis</i>

Guner Eksport	0.37 % <i>de minimis</i>
Guven Celik Born San. Ve Tic. Ltd	0.37 % <i>de minimis</i>
Guven Steel Pipe	0.37 % <i>de minimis</i>
Kalibre Boru Sanayi ve Ticaret AS	0.37 % <i>de minimis</i>
MTS Lojistik ve Tasimacilik Hizmetleri TIC A.S. Istanbul	0.37 % <i>de minimis</i>
Net Boru Sanayi ve Dis Ticaret Koll. Sti	0.37 % <i>de minimis</i>
Noksel Celik Boru Sanayi AS	0.37 % <i>de minimis</i>
Perfektup Ambalaj San. ve Tic. A.S	0.37 % <i>de minimis</i>
Schenker Arkas Nakliyat ve Ticaret A.S	0.37 % <i>de minimis</i>
Umran Celik Born Sanayii A.S	0.37 % <i>de minimis</i>
Umran Steel Pipe Inc	0.37 % <i>de minimis</i>
Vespro Muhendislik Mimarlik Danismanlik Sanayi ve Ticaret AS	0.37 % <i>de minimis</i>
Yucel Boru ve Profil Endustrisi A.S., Yucelboru Ihracat Ithalat ve Pazarlama A.S., and Cayirova Boru Sanayi ve Ticaret A.S. (Yucel Companies)	0.37 % <i>de minimis</i>

Assessment Rates

Consistent with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review.

For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2018 through December 31, 2018, in accordance with

19 CFR 351.212(c)(1)(i).

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties for each of the companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, except, where the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.¹⁸ Interested parties may submit written arguments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days after the time limit for filing the case briefs.¹⁹ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs may respond only to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.²⁰ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until May 19, 2020, unless

¹⁸ See 19 CFR 351.224(b).

¹⁹ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

²⁰ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

extended.²¹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice.²² Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. Issues addressed during the hearing will be limited to those raised in the briefs.²³ If a request for a hearing is made, we will inform parties of the scheduled date for the hearing, which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined.²⁴ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that briefs and hearing requests are to be filed electronically using ACCESS and that electronically filed documents must be received successfully in their entirety by 5:00PM Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce will issue the final results of this administrative review, including the results of our analysis of the issues raised by parties in their comments, within 120 days after issuance of these preliminary results.

²¹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020).

²² See 19 CFR 351.310(c).

²³ See 19 CFR 351.310(c).

²⁴ See 19 CFR 351.310.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: March 27, 2020.

Christian Marsh,

Deputy Assistant Secretary

for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Non-Shipment Claims and Partial Rescission
- IV. Period of Review
- V. Scope of the Order
- VI. Subsidy Valuation Information
- VII. Non-Selected Rate
- VIII. Analysis of Programs
- IX. Recommendation

[FR Doc. 2020-07044 Filed: 4/2/2020 8:45 am; Publication Date: 4/3/2020]